NUEXCO

EXECUTIVE SUMMARY
REPORT 193
(All data as of August 31, 1984)

Exchange Value
$17.50, unchanged

The **Exchange Value** is **$17.50** per pound U_3O_8, unchanged since last month. Four recent uranium sales are reported, involving a total of 1.0 million pounds U_3O_8 equivalent. One was a sale of natural UF_6; all involved deliveries prior to 1986, but only one met the conditions for inclusion in the Transaction Value.

Supply-Demand Ratio
rose to 4.6:1

Active spot and near-term **uranium supply** amounts to **5.1 million** pounds U_3O_8 equivalent, up 2.2 million pounds since last month. Active spot and near-term **uranium demand** totals **1.1 million** pounds, up approximately 200 thousand pounds. The spot and near-term **supply-demand ratio** rose to **4.6:1.**

Transaction Value
fell $0.20, to $16.40

The **Transaction Value** is **$16.40** per pound U_3O_8, down $0.20 since last month. The calculation includes 10 transactions involving a total of 3.9 million pounds U_3O_8 and equivalent UF_6, and covers a period of 4 months.

Loan Use Charge Rate
unchanged at 6%

The **Loan Use Charge Rate** remains **6 percent** per annum in an almost dormant market.

Conversion Value
rose to $0.80

The **Conversion Value** is **$0.80** per pound U as UF_6, up from zero last month. No secondary market conversion transactions are reported. Active secondary market supply of conversion services for delivery within three years totals 2.8 million pounds U as UF_6. Active demand totals 845 thousand pounds U as UF_6.

SWU Values
$100 for DOE-origin (FY85)
$85 for non-DOE origin
(delivery within 15 months)

The **SWU Values** are **$100** per SWU of DOE origin and FY85 delivery, up $5, and **$85** per SWU of non-DOE origin, unchanged since last month. Six SWU transactions are reported, involving approximately 700 thousand SWUs. Active secondary market SWU supply amounts to 215 thousand SWUs, while active demand totals 325 thousand SWUs.

Enrichment

It appears, as expected, that DOE will succeed in retaining almost all of its US and Japanese customers, while losing much of its market share in Europe.

Commentary

Speaking before a Congressional advisory panel, Nuexco Chairman J. R. Wolcott, citing the need for a clear definition of the role of the US government's uranium enrichment program in the international market, proposed the formation of an outside board of directors to oversee DOE activities.

Analysis & Commentary

Speaking at the Uranium Institute's Ninth Annual Symposium, Nuexco Vice-President Richard K. Andersen reported that secondary market sales of LEU inventories and DOE's offer of the USEC have combined to reduce U_3O_8 demand by 130 million pounds (1983–1991).

Analysis & Commentary

Reviews uranium purchases from 1979–1984 by US and European utilities.

South Africa

NUCOR recently released updated information on South Africa's uranium reserves.

United Kingdom

For the UK's long-delayed commercial AGR program, 1984 is a milestone year.

United States

Four nuclear power plants have begun commercial operation since the beginning of the year.

Annual Update

Both South Korea and Taiwan are continuing to add to their nuclear power programs.

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NUEXCO REPORT 193 FIGURES OF THE MONTH (August 31, 1984)	This Month (Report 193)	Last Month (Report 192)	12 Months Ago (Report 181)
Exchange Value[1]	17.50	17.50	24.00
Transaction Value[1]	16.40	16.60	23.60
Loan Use Charge Rate[2]	6%	6%	6%
Conversion Value[3]	0.80	0.00	1.10
Near-Term Uranium Supply[4]	5.1	2.9	6.7
Near-Term Uranium Demand[5]	1.1	0.9	2.4
Near-Term Supply-Demand Ratio	4.6	3.1	2.9
Recent Uranium Sales:			
Number of Transactions[6]	4	6	9
Quantity of Material[7]	1.0	1.3	1.8-3.9
Nuexco SWU Values:[8]			
DOE origin, FY85 delivery	100	95	—
non-DOE origin, delivery within 15 months	85	85	—
USDOE SWU Prices:			
USEC	135.00	135.00	—
AFC	153.00[9]	153.00[9]	138.65
Requirements	157.00[9]	157.00[9]	149.85
Market Value of Enriched UF_6[10, 11]:			
2.5 w/o U_{235}	537	513	598
3.0 w/o U_{235}	691	660	764
3.5 w/o U_{235}	848	810	933
4.0 w/o U_{235}	1,008	962	1,104

[1]US $ per pound U_3O_8 equivalent.
[2]Per annum.
[3]US $ per pound U as UF_6.
[4]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Uranium sales only; does not include loans, conversion, or SWU transactions.
[7]Millions of pounds U_3O_8, equivalent.
[8]US $ per SWU.
[9]Effective 10/1/84.
[10]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.20 percent tails assay. From 2/28/83 through 9/30/83, calculations used the Nuexco SWU Value for the relevant fiscal year. From 10/31/83 through 2/29/84, calculations used the Nuexco SWU Value for DOE origin and FY84 delivery. As of 3/31/84, calculations use the Nuexco SWU Value for DOE origin and FY85 delivery.
[11]US $ per KgU as UF_6, rounded to the nearest $.

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